

CA20N
CI 80
-1988
A53

Applicant's
Guide
to the
Native Small Business Centres
Program
(NSBC)

Native Community Branch



Ontario

Ministry of
Citizenship

Gerry Phillips
Minister

Published by the Ministry of Citizenship.
Printed by the Queen's Printer for Ontario
Province of Ontario, Toronto, Canada

© 1988 Government of Ontario

Additional copies of this and other Ontario government publications are available from Publications Ontario, 880 Bay St., Toronto, for personal shopping. Out-of-town customers write to Publications Ontario, 5th Floor, 880 Bay St., Toronto, M7A 1N8. Telephone (416)965-6015, or toll-free in Ontario 1-800-268-7540. In area code 807 dial 0-Zenith 67200. Hearing impaired call: (416)965-5130 or toll-free in Ontario 1-800-268-7095. Mastercard and Visa accepted. Cheques and money orders payable to the Treasurer of Ontario. Prepayment required.

D2062 B/88 5M
ISBN 0-7729-4403-2

Introduction

The Native Small Business Centres Program (NSBC) is one of two native-specific components of the Community Facilities Improvement Program. Information on the other community-based capital program is provided under a separate brochure.

Administered by the Native Community Branch, Ministry of Citizenship, NSBC is a capital program which has been designed to assist Native communities and organizations to develop specific economic infrastructure projects across Ontario.

NSBC will provide funding to Native communities to develop small business centres and business parks as a component of their overall economic development strategy.

These facilities aid the early stage of small businesses by providing rental space, shared services and business counselling assistance. The primary

difference between a small business centre and a business park is that where the former rents facility space, the latter rents land.

The program guidelines, including the appendices and the Ministry's Project Checklist for Capital Applications, are intended to assist interested Native communities and organizations in preparing their application for NSBC.

Representatives of the Native Community Branch, Ministry of Citizenship are available to advise and assist in the preparation of your application. Addresses of the local field offices are listed in the back of this publication as well as in the program brochure.

The information provided in the grant application may be subject to disclosure under Freedom of Information legislation, which was proclaimed in Ontario in 1988.



Table of Contents

Objectives of the Program, 5

Program Principles, 5

Definitions, 5

Eligibility, 6

- A. Eligible Applicants, 6
- B. Eligible Projects, 7
 - i. Economic Infrastructure, 7
 - ii. Feasibility Studies, 7
- C. Eligible Expenses, 7

Program Guidelines, 8

- A. Maximum Assistance, 8
- B. Pro-Rating of Eligible Costs, 8
- C. Financing the Balance of the Project, 8
- D. Project Disbursements, 9
- E. Requirements for the Selection/Tendering Process, 9

Application Process, 10

- A. Basic Requirements, 10
- B. Program Authority, 10
- C. Application Procedure, 10
- D. Timing, Commitments and other Considerations, 11
- E. Criteria for Assessing Projects/Applications, 11
- F. Appeals, 11

Terms and Conditions, 12

- A. *Terms Applying to All Applicants, 12*
 - 1. Definitions, 12
 - 2. Purpose of Repayable Grants, 12
 - 3. Timing of Terms and Conditions, 12
 - 4. Credit to Ministry, 12
 - 5. Disposal of Assets, 12
 - 6. Assignment of Grant, 12
 - 7. Further Conditions, 12
 - 8. Grant Repayment, 12
 - 9. Unused Funds, 13
 - 10. Installments, 13
 - 11. Accounting, 13
 - 12. Canadian Content/Tendering Process, 13
 - 13. Ministry Publicity for Project, 13
 - 14. Visits, 13
 - 15. Consent to Release, 13
- B. *Terms Applying Only to Economic Infrastructure Projects, 14*
 - 1. Limitation of Liability, Indemnification and Insurance, 14
 - 2. Reports, 14
- C. *Terms Applying Only to Study Projects, 14*
 - 1. Limitation of Liability, Indemnification and Insurance, 14
 - 2. Consultant, 14
 - 3. Pre-consultation: Terms of Reference, 15
 - 4. Reports, 15

Appendices, 15

- A. Terms of Reference: Needs Assessment, 15
- B. Terms of Reference: Feasibility Study, 16
- C. Terms of Reference: Management Plan, 18
- D. Progress Report of Small Business Centre, 20
- E. List of NCB Contact Offices, 21

Objectives of the Program

Administered by the Native Community Branch, Ministry of Citizenship, NSBC is a \$2.5 million program designed to assist Native communities and organizations to develop economic infrastructure projects across Ontario.

Under the program, a community or organization can receive funding for a small business centre and/or a business park. A small business incubator is intended to:

- foster growth of small businesses in the local area;
- assist small business entrepreneurs who are unable to construct their own facility;
- improve business planning

and management skills of tenants thereby reducing business failures; and

- encourage resource networking between business centre tenants and the community.

A business park is intended to:

- foster local business investment;
- encourage compatibility between economic development initiatives and the community; and
- assist the community by attracting new employment opportunities.

Grants may be provided to conduct feasibility studies of economic infrastructure projects.

Program Principles

NSBC has been designed within the context of the following principles:

Dedication Principle: NSBC is dedicated to assist specific Native economic infrastructure projects across Ontario through the provision of capital grants.

Non-Profit Principle: NSBC is intended to fund projects which are in the public interest and which assist Native communities in realizing their economic development objectives.

Non-Substitution Principle: NSBC is not intended to replace

or relieve the responsibility of ongoing government programs in their respective fields.

Self-Sufficiency Principle: All projects should indicate self-sufficiency as evidenced by operational plans demonstrating a capacity to cover future administrative costs.

Share Principle: NSBC is intended to assist Native community initiatives by sharing the financial investment of the project between the Government of Ontario and the community.

Definitions

For the purposes of NSBC, the following definitions shall apply:

Applicant means a local Native non-profit community organization that has submitted a repayable grant application to the Ministry.

Business park is a parcel of land which is planned, developed and/or serviced for industrial or commercial use.

Canadian content means all Canadian labour, materials, transportation costs, duty, taxes and profits. It is the value of the supplier's net selling price minus the declared value of any imported goods or services.

Certified appraisal refers to an appraisal conducted by an independent industry-certified professional, or in the event that a certified professional is unavailable, an appraisal conducted by an independent individual who has demonstrated industry-related skills and/or experience.

Contributed equity means donated land, buildings, material, labour, professional services, and the use of construction equipment.

Development Plan means documented evidence describing a community's current goals and objectives for achieving local economic development.

Economic infrastructure project refers to a business park and/or a small business centre.

Feasibility study means a study which assesses the self-sufficiency of an economic infrastructure project.

Letter of attachment means a letter that forms part of the agreement between the recipient and the Ministry and which outlines the terms and conditions of the repayable grant, and the responsibilities and obligations of both the recipient and the Ministry.

Letter of non-prejudice refers to a document authorizing an applicant to commence a project prior to receiving the Minister's approval without obligating the Ministry to fund the project.

Ministry and Minister means the Ministry and Minister of Citizenship.

Native person or person of Native ancestry means a status Indian, on or off reserve, a Non-Status Indian, a Metis or an Inuit residing in the province of Ontario.

Native business is a Native person who is, or is in the process of becoming, a sole proprietor or one-person corporation, or a partnership, co-operative or limited company, which is incorporated or in the process of incorporation, in which a minimum of 51% is owned and controlled by persons of Native ancestry.

Needs assessment study is a study which identifies a community/regional demand for an economic infrastructure project.

Recipient means an organization that has submitted an application, has agreed to be bound by the terms and conditions outlined in the Minister's letter of approval, attachments thereto, and in any subsequent correspondence; and has been awarded a repayable grant by the Ministry of Citizenship.

Schematic drawings means a set of drawings prepared by a qualified architect. The drawings shall include: floor and site plans, a section, main elevations, date and scale, areas of each of the spaces, total gross floor area and the architect's name and address. The drawing shall clearly differentiate, where applicable, between the existing structure and proposed additions, expansions, or renovations.

Self-sufficiency means an economic infrastructure project's potential capacity to produce sufficient revenues to cover its future administrative and operating costs.

Small Business Centre is a facility which aids the early stage of small businesses by providing rental space, shared services and business counselling assistance.

Working drawings means a set of final drawings prepared by a qualified architect for building permit application and tendering purposes.

Eligibility

A. Eligible Applicants

An applicant must be a local Native non-profit community organization, such as an Indian Band, a local of the Ontario Metis Aboriginal Association (OMAA) or the Ontario Native Women's Association (ONWA), or a local development corporation.

The organization must be incorporated at least two years before

applying, and possess a good track record demonstrating sound financial management capability.

Only one capital application will be accepted per community. If there are several Native organizations that have a common client community, the application must be either jointly submitted or endorsed by all of the relevant organizations.

B. Eligible Projects

i. Economic Infrastructure

Eligible projects are small business centres and business parks. Eligible activities may include construction, acquisition, expansion or renovation, with the exception of the purchase of an operating commercial or industrial facility.

Under certain circumstances, an applicant may also consider renting or leasing a building or portable facility for its small business centre. Specific project activities (leasehold improvements and/or mobilization of a portable facility) may be eligible when renting or leasing only if the applicant provides the following:

- a. strong economic substantiation justifying renting/leasing the building or facility;
- b. written certified appraisal that the building/facility is in good condition; and
- c. verification that the transaction is at arms-length.

A small business centre can be a component of a multi-purpose complex, but only that portion

of the complex which is designated for the centre shall be eligible for funding. A pro-rating formula shall be applied to determine eligible costs and total eligible project value.

A minimum of 75% of the tenants of an economic infrastructure project must be Native businesses. A small business centre must be able to accommodate a minimum of four tenants, and a business park must be sub-divided into a minimum of six lots.

Eligible tenant activities may include: retail and service sector businesses, and light manufacturing with outside storage. Ineligible tenant activities include: farming or other agricultural uses, office or warehouse space, and distribution centres.

ii. Feasibility Studies

Feasibility studies for economic infrastructure projects are eligible for funding. Needs assessment studies are ineligible for funding.

C. Eligible Expenses

Eligible expenses for economic infrastructure projects include:

- i. professional fees such as legal, real estate, architectural, engineering, project-specific consulting and accounting;
- ii. permits and municipal inspection fees;
- iii. tendering costs;
- iv. site office rental;
- v. construction and site preparation, including demolition, service connections, and inspection fees;
- vi. fixed equipment including permanently installed furnishings, fittings and equipment; and
- vii. land that is necessary for the start-up or expansion of the project.

Eligible expenses when **renting or leasing a building or portable facility** for a small business centre include:

- i. professional fees such as legal, real estate, architectural, engineering, project-specific consulting and accounting;
- ii. permits and municipal inspection fees;
- iii. tendering costs;
- iv. leasehold improvements, including demolition, service connections, and inspection fees;
- v. fixed equipment including permanently installed furnishings, fittings and equipment;
- vi. site preparation, including demolition, service connections, and inspection fees;
- vii. mobilization costs, transportation of a portable facility to the site; and
- viii. land that is necessary for the project.

An applicant may include a contingency allowance of up to 10% of total eligible costs for economic infrastructure projects.

Costs not relating to a project are ineligible, such as:

- i. operating costs, including business counselling and management training support;
- ii. financing expenses;
- iii. administration costs associated with the project;
- iv. portable equipment and furnishings;
- v. maintenance and repair items which should be included in a regular maintenance program;

- vi. vehicles, including heavy equipment; and
- vii. in the case of business parks, building construction costs; and
- viii. when renting or leasing a building or portable facility for a small business centre, the actual rent or lease payments.

For **feasibility studies**, eligible expenses include both professional consulting fees and expenses.

Program Guidelines

A. Maximum Assistance

- Funding for **economic infrastructure projects** may be 75% of eligible project costs to a maximum of \$250,000.
- Assistance for feasibility studies may be 75% of eligible project costs to a maximum of \$50,000.

Where a project has received funding for a feasibility study, the maximum eligible grant will be reduced by the amount

already advanced for the study.

Assistance shall only be provided to that portion of a multi-purpose complex that is eligible. A pro-rating formula will be used to determine eligible costs and total eligible project value.

Funding approval is based on project commitments and will not be increased should project costs rise for any reason.

B. Pro-Rating of Eligible Costs

A pro-rating formula shall be applied to determine eligible costs and total eligible project value. The applicant should work closely with a NCB repre-

sentative in order to determine total eligible costs. Program management has final responsibility for determining eligible costs and recommending grant amounts.

C. Financing the Balance of the Project

The applicant must demonstrate that it has the ability to finance the project. Financing can be in the form of equity, loans/mortgages, grants, and/or a combination of any of these sources.

For the purposes of this program, a Band's cash equity shall be calculated as its cash operating surplus and/or retained earnings of its businesses, but not include INAC's (Indian and Northern Affairs Canada) capital contribution(s).

Grants from other government programs may be permitted, but the total federal and provincial government assistance must not exceed 90% of the total eligible project cost. Provincial funding

must not exceed 75% of the total eligible NSBC project cost.

Contributed equity may be included in the calculation of the total project cost but the Ministry's grant cannot exceed the actual cash expenditure for the project.

Contributed equity is eligible at fair market value, and donated labour shall be valued on the basis of trade rates and/or the minimum wage as established by the Ministry of Labour's fair wage schedule. In all cases of donated labour and professional services, the applicant must identify the activities to be completed with donated labour, the skills required to do the activities, and provide evidence that activities will be completed by qualified personnel.

D. Project Disbursements

Upon receipt of a signed letter of attachment, an advance payment of 25% of the approved project costs may be released.

Although a grant may be approved on the basis of schematic design drawings for economic infrastructure projects, a full advance will not be issued until the Ministry receives the completed working drawings. The recipient may, however, request a smaller advance based on the estimated cost of preparing the completed drawings, with the balance of the first advance disbursed upon receipt of the drawings.

The recipient may request two additional subsequent advances of 30% and 35%, respectively, based upon presentation of proof of expenditures of the previous advance and after an equal proportion of cash equity and other funding sources (e.g. bank loan) have been expended. For feasibility studies, a draft report must be provided prior to the third advance being awarded.

Prior to the final payment (10%), the total approved eligible costs will be recalculated

based on the project's total actual expenditures.

Should actual project costs be less than estimated, the maximum grant disbursed will be reduced, based on a percentage formula of the total approved eligible costs.

For example, if an applicant had received project approval of \$250,000 for a \$400,000 multi-purpose complex, and the actual expenditures were only \$360,000, then the total eligible NSBC grant would be reduced to \$225,000.

$$\begin{aligned} & \$360,000 / \$400,000 \times \$250,000 \\ & = \$225,000 \end{aligned}$$

Final disbursement may be made only after the recipient provides a certified accounting of the total project expenditures, and for economic infrastructure projects:

- the recipient must also provide a copy of the architect's statement of completion which will be based on the ongoing review of the project;
 - photographs of the completed project; and
 - a site inspection has been conducted by Ministry staff;
- and for feasibility studies the recipient must provide a final report which is satisfactory to the Ministry.

E. Requirements for the Selection/Tendering Process

The Ministry is concerned that any project receiving financial assistance shall represent the best value for the money and shall not involve a conflict of interest. If your project is approved, the Ministry will require that an appropriate process of competitive pricing or tendering is undertaken.

Preference should be given to the purchase of Canadian goods and services. In the evaluation of tenders, a price preference of up to 10% is

allowed for Canadian economic activity and content. If you are not able to comply with this policy, the Ministry must be advised.

Except for the preference to be given to the purchase of Canadian goods and services, the Ministry will expect that best value will be sought and reserves the right not to pay any grant if the best value has not been satisfactorily substantiated.

In the case of a feasibility study, the following must be provided to the Ministry:

- a. terms of reference which are satisfactory to the Minister;
- b. copies of proposals submitted by bidders;
- c. a statement indicating your recommendation; and
- d. a written explanation if the lowest bid is not chosen.

Prior to disbursement of funds, the Ministry will require confirmation that these requirements

have been satisfactorily met unless any necessary exceptions have previously been documented and accepted by the Ministry. If prior written Ministry approval is not obtained, failure to undertake competitive tendering, or to give the required preference to Canadian goods and services, may disqualify your project for NCB approval of grant payments.

Application Process

A. Basic Requirements

Basic requirements for application to NSB are:

- Annual financial statements for two years from the applicant demonstrating the organization's financial and management capability.
- A community needs analysis demonstrating local demand.
- A development plan identifying how the proposed project meets community/organization objectives and/or priorities.
- A feasibility study which demonstrates the self-sufficiency of the project.

- Completion of an NSBC application form and the Project Checklist for Capital Applications.
- One set of schematic and/or working drawings, and a complete listing of all project capital costs.
- A management plan, including operational strategies and three-year pro forma financial statements (balance sheet, income statement and cash flow statement).
- For feasibility studies, satisfactory evidence that the applicant is committed to completing the project if the study is favourable.

B. Program Authority

Members of a Project Review Committee will meet quarterly to recommend to the Minister of Citizenship approvals of NSBC grant applications based on the evaluations prepared by the NCB Area offices.

Quarterly review dates will be the first working day of June, September, December and March.

The Minister of Citizenship will make final decisions on all NSBC applications.

C. Application Procedure

- Applicants are encouraged to work closely with the Native Community Branch field representatives in developing the proposal or terms of reference prior to submitting an application.
- After carefully reading this guide, complete the applica-

tion, following the directions on the form, and attach the appropriate documents.

- Complete the Ministry's Project Checklist for Capital Applications form.
- Both completed forms must be submitted to the local Native Community Branch field office.

D. Timing, Commitments and Other Considerations

- To enable the Ministry to properly assess an application, applicants must submit their applications two months prior to the quarterly review date. Applications that are not submitted within this period will be automatically placed on the next agenda.
- To be eligible for funding, an application **must** be submitted and approved by the Ministry before the project begins. Costs incurred **prior to the date of the Minister's Letter of Approval** are not eligible for assistance, with the exception of design fees or consultant estimates that were necessary in order to complete the application.

- Receipt by the Ministry of an application does not imply that funding will be provided.
- Commitments made by the applicant prior to, or in anticipation of, official written notification that a grant has been approved, are done so at the applicant's risk. In the event that an application is rejected, the Ministry will not be responsible for costs already incurred, with the exception of design or consultant fees that were necessary in order to complete the application.
- An applicant may request a Letter of Non-Prejudice to obtain authorization to commence a project prior to the Ministry's approval without obligating the Ministry to fund the project.

E. Criteria for Assessing Projects/Applications

Applications will be assessed according to the NSBC program principles and the following selection criteria:

- An applicant's financial and management capability based on its annual financial statements for two years;
- The proposal is consistent with community and organization objectives and priorities as defined in a community and/or regional plan, and the organization's bylaws;
- Community involvement in the planning, development and implementation of the project;

- Local demand for the facility and/or improvement in the accessibility or quality and quantity of services in the community as a result of the project;
- Project self-sufficiency is demonstrated;
- Project financing has been secured;
- Business plan which identifies operational and management policies and strategies; and
- For feasibility studies, satisfactory evidence that the applicant is committed to complete the project if the study is favourable.

F. Appeals

All appeals should be submitted in writing directly to the Appeal Committee:

Appeal Committee, NSBC
c/o Native Community Branch
Ministry of Citizenship
5th Floor, 77 Bloor Street West
Toronto, Ontario
M7A 2R9

The Appeal Committee will recommend approvals to the Minister of Citizenship. The Minister of Citizenship will make final decisions on all applications.

Terms and Conditions

A. Terms Applying To All Applicants

1. Definitions

“Applicant” means an organization that has submitted a repayable grant application to the Ministry.

“Canadian Content” means all Canadian labour, material, transportation costs, duty, taxes and profits. It is the value of the supplier’s net selling price minus the declared value of any imported goods or services.

“Facilities” means the land and buildings for which a grant is made.

“Ministry and Minister” mean the Ontario Ministry and Minister of Citizenship.

“Project” means the project as described in the Minister’s letter of approval, in any attachments thereto, and in any subsequent correspondence from the Ministry.

“Recipient” means the applicant organization which has submitted this application, has agreed to be bound by these terms and conditions and has been awarded a repayable grant by the Ministry of Citizenship.

2. Purpose of Repayable Grants

Grants shall be used only for the purposes outlined in the Minister’s letter of approval, attachments thereto, and in any subsequent correspondence from the Ministry. Changes in the project shall only be made with the Ministry’s written approval.

3. Timing of Terms and Conditions

These terms and conditions shall be in effect for five (5) years from the date of the Minister’s letter of approval unless stipulated otherwise in the Minister’s letter of approval or in any attachments thereto.

4. Credit to Ministry

The recipient shall acknowledge the support of the Government of Ontario through the Ministry of Citizenship, in all advertising, publicity and construction signs relating to the project, in any permanent tribute to donors displayed on the site, as well as in any final study report.

5. Disposal of Assets

The recipient shall not sell or dispose of the facilities without the Ministry’s prior written consent. The recipient shall not mortgage or encumber the facilities for more than the total market value of the facilities minus the amount of the grant.

6. Assignment of Grant

The applicant/recipient shall not assign this application or the grant without prior written consent of the Ministry.

7. Further Conditions

The Ministry shall be entitled to impose such additional terms and conditions to the use of the repayable grant which, in its sole discretion, it deems necessary and shall be entitled to impose such terms and conditions on any consent granted pursuant to this application.

8. Grant Repayment

The recipient shall, at the request of the Ministry, repay to the Ministry the whole or any part of the grant:

- if the applicant breaches any of the conditions laid out in these guidelines, the Minister’s letter of approval, any attachments thereto, and in any subsequent correspondence from the Ministry;
- if the recipient ceases to operate as a non-profit corporation;
- in the event that all or part of the project is sold, ceases to operate, is wound up or dissolved, or enters bankruptcy;
- if funds were misused;
- if funds were obtained by providing false information; and/or
- if funds were used for purposes not agreed upon by the Ministry.

Where required, the grant shall be repaid by cheque payable to the **Treasurer of Ontario** and mailed to:

Finance Branch
Ministry of Citizenship
4th Floor, 77 Bloor St. West
Toronto, Ontario
M7A 2R9

The Ministry reserves the right to demand interest on any amount owing by the recipient to the Ministry at the current rate charged by the Province of Ontario on accounts receivable.

9. Unused Funds

Any unused portion of the grant remains the property of the Ministry and, if already paid to the recipient by the Ministry, shall be repaid to the Ministry.

10. Installments

The grant shall be paid in installments at the discretion of the Ministry.

The project shall begin before the end of the fiscal year in which the grant becomes payable or all remaining installments may be cancelled. However, no grant shall be paid if the project has begun before a complete application has been received and approved by the Ministry.

Projects may be carried over the end of the fiscal year, with prior approval from the Ministry; however, all projects must be completed and funds disbursed within eighteen months of the attachment letter being signed by the applicant.

11. Accounting

The recipient shall keep and maintain all records, invoices and other documents relating to the grant in a manner consistent with generally accepted accounting principles, and shall maintain such records for a period of five years after completion of the project.

The recipient authorizes the Ministry and its agents at all reasonable times to inspect and copy any records, invoices and documents in the possession or under the control of the recipient, including those of any contractor, which relate to the grant. The right of inspection under this paragraph includes the right to perform a full or partial audit.

Only reasonable and proper direct costs of the project which are substantiated by satisfactory supporting documentation shall be reimbursed.

12. Canadian Content/Tendering Process

The recipient shall conduct a process of competitive pricing or tendering for goods and services relating to the project. In the evaluation of tenders, the recipient shall give an allowance of up to 10% on the price of the tender bids for Canadian content, and shall select the goods and services that represent the best value. The Ministry must be advised in writing if you are not able to comply.

13. Ministry Publicity for Project

The Ministry may make public the name of applicants, descriptions of proposed projects and, for approved projects, the grant amounts.

14. Visits

The Ministry may at all reasonable times conduct site visits during and/or after construction of the project.

15. Consent to Release

The applicant/recipient consents to the release of information contained in its application and in any reports submitted under these Terms and Conditions, all pursuant to section 17(2) of the Freedom of Information and Protection of Privacy Act, 1987.

B. Terms Applying to Economic Infrastructure Projects

1. Limitation of Liability, Indemnification and Insurance

The Ministry shall not be liable for any injury, death or property damage to the recipient, or for any claim by any third party against the recipient, unless it was caused by the negligence or wilful act of an employee or agent of the Ministry while acting within the scope of his/her employment or agency respectively.

The recipient agrees that the Ministry shall not be liable for any incidental, indirect, special or consequential damages, injury or any loss of use, revenue or profit of the recipient arising out of or in any way related to the project.

The recipient agrees that it shall indemnify the Ministry, its employees and agents, against all costs incurred as a result of a claim or proceeding related to the project, unless it was caused by the negligence or wilful act of an employee of the Ministry, while acting

within the scope of his/her employment.

The recipient shall maintain both fire and extended coverage insurance in an amount equal to the replacement cost of the facilities, and comprehensive general liability insurance of at least \$1,000,000.00 per occurrence for bodily injury (including personal injury), death, and damage to property including loss of use thereof, and automobile liability insurance.

If requested by the Ministry, the recipient shall provide satisfactory proof of such insurance. The recipient shall provide notice to the Ministry immediately upon change or cancellation of the insurance.

2. Reports

The recipient shall submit interim reports to the Ministry upon request. The recipient shall report to the Ministry within one year of completing the project. The report shall include photographs of the completed facilities, provide details of how the support of the Ministry has been acknowledged and give all other details requested by the Ministry.

C. Terms Applying Only to Study Projects

1. Limitation of Liability, Indemnification and Insurance

The Ministry shall not be liable for any injury, death or property damage to the recipient, or for any claim by any third party against the recipient, unless it was caused by the negligence or wilful act of an employee or agent of the Ministry while acting within the scope of his/her employment or agency respectively.

The recipient agrees that the Ministry shall not be liable for any incidental, indirect, special or consequential damages, injury or any loss of use, reve-

nue or profit of the recipient arising out of or in any way related to the project.

The recipient agrees that it shall indemnify the Ministry, its employees and agents, against all costs incurred as a result of a claim or proceeding related to the project, unless it was caused by the negligence or wilful act of an employee of the Ministry, while acting within the scope of his/her employment.

2. Consultant

Study projects shall be undertaken by an arms-length consultant with appropriate professional qualifications and experience.

3. Pre-Consultation: Terms of Reference

Before a study application is deemed complete, applicants shall consult with Ministry staff and receive Ministry approval for the Terms of Reference.

4. Reports

The recipient shall provide the Ministry with three copies of a draft report for review and comments before completing the

final report. The Ministry shall provide comments on the draft report and the recipient shall address and reflect these comments in the final report.

The recipient shall also provide the Ministry with three copies of the final report within one month of the report's completion. The final report shall include acknowledgement of Ministry support.

APPENDIX A Terms of Reference: Needs Assessment

This appendix is provided as a guideline to assist a community in conducting a needs assessment. In most cases, a community is aware of its needs. These guidelines should help a community document these needs.

A needs assessment is the first step in the planning process. It should ensure: consideration of current as well as future needs; input from the community; and identification of several options/solutions for meeting identified needs.

The level of detail in a needs assessment will vary, but should include four basic components:

- a community economic profile;
- an assessment of the existing commercial and industrial facilities and services in the community;
- identification of demand for commercial and industrial facilities and business support service gaps; and
- identification of possible options.

The following format is an example of how a needs assessment might be structured.

Purpose

Briefly describe what is to be accomplished in the needs assessment.

Background

Briefly state the perceived

problem or the reason(s) for the needs assessment.

Community Profile

Describe the economic, social, physical, and cultural characteristics of the community, including:

- the population profile by age, sex, occupations, and

growth projections;

- the settlement patterns for on or off reserve;
- the general economic profile, including existing characteristics and potential for growth.

Assessment of Existing Facilities, Programs and Services

Provide an overview of the existing commercial and industrial facilities and how they are

currently being used or not used. The assessment should include any limitations, as well as identify the community's business support service needs.

Using existing documentation and additional information collected through public meetings, questionnaires or telephone surveys, the following should be described:

- the commercial and industrial facilities available within the community (e.g. shopping plazas, industrial parks, estimates of commercial and retail space) in terms of rent levels and facility suitability;
- the current uses and limitations of the present facilities, (e.g. occupancy levels, waiting lists, space limitations);
- the facilities available in surrounding communities;

• the current uses and limitations of the neighboring facilities (e.g. number of leases from community residents, proximity, availability, and cost);

- any other facilities that are in the planning stage and should be considered;
- new or proposed business ventures which may require commercial/industrial facility space; and
- business organizations, financing services, management training and support services available in the community.

Confirmation of Needs

Based on the information collected, summarize the community's views:

- Identify and assess the specific needs of the various types of businesses to be served and their particular space requirements;

- limitations of the existing facilities available in or near the community; and
- summarize the community's views on prioritization of the identified facilities and services in the event that phasing is necessary due to funding constraints.

Identification of options

After the community needs have been confirmed, options that meet the community's requirements should be identified.

Options may include:

- construct a new business centre/industrial park;
- build an addition to an existing centre or expand an existing park;
- renovate an existing centre; or

- utilize existing and/or nearby facilities.

In conclusion, the needs assessment should confirm the community's requirements for programs, services and accompanying facility space. The most appropriate option(s) can then be examined more thoroughly in a feasibility study, particularly with respect to potential costs.

APPENDIX B

Terms of Reference: Feasibility Study

Feasibility studies funded under NSBC must be conducted by an arms-length independent consultant with related professional experience. The following information may be used when preparing the terms of reference for a feasibility study. Additional assistance in preparing terms of reference may be obtained from your local Native Development Consultant.

A feasibility study should contain the following basic elements:

- an overview of the results of a

community needs assessment;

- detailed description of the community's commercial and industrial space requirements taking into account building standards;
- various options for detailed analysis, (including possible site location(s) if a new facility is being considered);
- identification, analysis of the most appropriate options;
- evidence of community support for one option;
- demonstration of the self-

sufficiency of the selected option; and

- implementation and operational strategies for the

selected option.

The following format is an example of how a feasibility study might be structured.

Purpose

Describe what is to be accomplished by the analysis.

Background

Describe why the analysis is being undertaken. Summarize

the results of the community needs assessment.

Description of Programs and Services

Program and service should be used to determine the overall area and space requirements, possibilities for shared space, and other program requirements such as salary, equipment, etc. of each option being considered by the community.

- the program or service;
- the type and number of users;
- space requirements;
- staff requirements;
- furniture and equipment requirements;
- duration of program and hours of facility use; and
- any other requirements (e.g. canteen, washroom, handicapped access).

For each activity to be offered under a facility option, describe:

Selection of Facility Options and Detailed Analysis

Based on the community's identified requirements, certain options may be eliminated from further consideration. All appropriate options should be presented to the community for review and comment. A detailed analysis of the appropriate options can be completed by:

- identifying options for detailed analysis;
- for each facility option, determine the size, the design and renovation requirements based on community requirements; and special requirements (e.g. utilities, infrastructure);
- identify the capital costs associated with each option including (where appropriate): professional fees and permits (e.g. legal, real estate, architectural, engineering, project consulting, accounting), tendering, inspection, renovation or construction, landscaping;

- for new facilities, compare site options considering:
 - the availability and cost of land, site development and infrastructure;
 - topography and soil conditions;
 - potential impact on the community and the physical environment;
 - accessibility (e.g. distance to major transportation routes and tenant's suppliers/customers);
 - zoning regulations, regulations, building codes, and labour standards;
- identify administrative/business support services, where practical and feasible;
- identify potential environmental impacts, describing the benefits to the community and/or negative effects;
- conduct an analysis of the options. The above information should enable the community to select the option that best meets its identified needs.

Demonstration of Self-Sufficiency

Project self-sufficiency is an important eligibility criterium of NSBC. As a result, the community must select an option that demonstrates ongoing self-sufficiency. Self-sufficiency means a project's potential to secure sufficient revenue to cover its future administrative costs.

The self-sufficiency of the selected option should be analyzed by:

- identifying project operating costs (e.g. heating/cooling costs, lighting, water, sewer) based on the building size as well as estimated maintenance (e.g. cleaning) and repairs;
- identifying sources of revenue and funding (e.g. donated labour, fund-raising, space

rentals, and operational grants). Similar facilities in other communities can be used for comparison purposes;

- preparing a break-even analysis to determine revenue required to cover operating expenses; and
- preparing three-year pro forma financial statements to demonstrate the facility's self-sufficiency.

Conceptual and/or working drawings of a new or renovated facility should also be prepared.

The community should be aware that in some cases it may be advantageous to phase construction or programming in order to stagger costs over a longer time frame.

Project Implementation Strategy

A plan or strategy should be included which will assist the implementation of the project. Depending on the project, the implementation strategy could include:

- an administration and staffing plan, job descriptions, and lines of authority/reporting relationships;
- an operating manual and reporting/accounting system;
- project phases and associated costs;
- financial requirements (e.g.

list of various funders, funding formulas and ceilings, donated labour, debt financing, community fund-raising goal); and

- implementation time frame and target dates.

The end result should be a plan which will meet community needs and be affordable. The analysis must demonstrate that the option will be self-sufficient. If an option will not be self-sufficient, an alternative means of addressing community needs should be investigated.

APPENDIX C Terms of Reference: Management Plan

Purpose

Briefly describe the proposal.

Background

Describe the background and objectives of the project and community/region.

Scope

i. Organizational Structure

- define the facility and management's purpose;
- identify who will determine and implement basic operat-

ing policies and procedures;

- prepare management and staff job descriptions, including one for the individual who will be responsible for carrying out the obligations under

the contract with the Ministry;

- describe the business counselling and property management relationship to the facility.

ii. Operational Policies and Procedures

- define tenant selection criteria, screening and review processes;
- prepare tenant graduation and lease policies (i.e. rent, fees and charges);
- describe the range of administrative support services to be provided;
- prepare budgeting and communications policies; and
- define the property management policy.

Marketing Strategy

i. Prepare a marketing strategy for the facility. The following elements should be included:

- pricing strategy for the space and services;
- promotional plan addressing the initial lease-up period, ongoing recruitment and graduation of tenants, and solicitation and maintenance of community support;
- strategy for delivery of the facility's services to tenants whether provided in-house and/or contracted out;
- description of the type of services required by the type of tenants that the facility is targeting.

ii. Prepare a draft lease agreement between the facility and its tenants.

iii. Quantify the number of prospective tenants, based on the review of actual business plans and interviews, available for occupancy upon commencement.

Financial Information

i. Sources and Applications of Funding

Identify funding requirements and mechanisms for:

- planning and development of the facility;
- operations (i.e. day-to-day administration expenses); and
- tenants (i.e. purchase of machinery and equipment, inventory, working capital, etc.).

ii. Pro Forma Financial Statements

- conduct a break-even analysis; and
- prepare a forecast of revenues and expenses for years one through three (monthly in year one, and quarterly for years two and three) indicating how the facility intends to operate self-sufficiently.

Commencement of Operations

i. Set a target date for commencement of operations. (This date must be within eighteen months of the signing of the contract.)

APPENDIX D
Progress Report of
Small Business Centre or Business Park

File No:
Date:

Community Name:

Centre/Park Name:

Manager Name:

Year	Year 1	Year 2	Year 3
Quarter	1 2 3 4	1 2 3 4	1 2 3 4

Vacancy Rate (%)

Occupancy Rate (%)

Profit or Loss
(\$000's)

Waiting List
(Number/Time)

Recent Entrants

Total Tenants
Number of Employees
(Full-Time)
(Part-Time)

Recent Exits

Total Graduates

Number of Employees
(Full-Time)
(Part-Time)

Closures
Number

Attach the following: Updated list of tenants (current and on waiting list), graduates, closures (reasons); and annual financial statements (audited if available).

Manager

Date

APPENDIX E

List of Regional Offices of the Native Community Branch

Information and assistance in preparing the NSBC application may be obtained by contacting the nearest NCB regional office. All NSBC applications must be submitted to the appropriate NCB field office.

Northwest Area

Thunder Bay

Area Manager
1825 East Arthur Street
Thunder Bay, Ontario
P7E EN7
Tel: (807) 475-1683

Kenora

3rd Floor
227 Second Street South
Kenora, Ontario
P9N 1G1
Tel: (807) 468-5568

Fort Frances

Box 613
2nd Floor, 240 Scott Street
Fort Frances, Ontario
P9A 3M9
Tel: (807) 274-9732

Geraldton

Box 778
303 Main Street East
Geraldton, Ontario
POT IMO
Tel: (807) 854-0169

Sioux Lookout

34 Front Street East
Sioux Lookout, Ontario
POV 2T0

Northeast Area

Sudbury

Area Manager
4th Floor, 200 Elm Street East
Sudbury, Ontario
P3C 5N3
Tel: (705) 675-4349
Toll Free 1-800-461-4027

Sault Ste. Marie

3rd Floor
390 Bay Street
Sault Ste. Marie, Ontario
P6A 1X2
Tel: (705) 942-0419

Timmins

22 Wilcox Street, 2nd Floor
Timmins, Ontario
P4N 3K6
Tel: (705) 267-8018

Southern Area

Toronto

Area Manager
5th Floor, 77 Bloor Street West
Toronto, Ontario
M7A 2R9
Tel: (416) 965-5003
Toll Free 1-800-268-3747
(ext. 5-5003)

London

Suite 601
255 Dufferin Avenue
London, Ontario
N6A 5K6
Tel: (519) 679-4349
Toll Free 1-800-265-4731

Orillia

15 Matchedash Street North
Orillia, Ontario
L3V 4T4
Tel: (705) 325-9561

3 1761 11469607 3



Ontario

Ministry of Gerry Phillips
Citizenship Minister